



STATE SENATOR PAT KREITLOW

Senator Pat Kreitlow
Testimony in Favor of AB 768
April 19, 2010

Thank you Chairperson Lassa, fellow committee members, for the opportunity to testify today in favor of AB-768, legislation that will allow the Department of Commerce to designate two additional enterprise zones.

The Enterprise Zone program has been one of the most successful job creation programs at Commerce, helping create over 5500 jobs in Wisconsin since its creation assisting companies like, Mercury Marine, Republic Airways, Uline, Oshkosh Truck, and Morgan Aircraft by providing over \$100 million in tax credits and other incentives.

The program has been so successful that the original authorization for Commerce to designate 10 enterprise zones may be fully exhausted by the end of the year. We simply can't afford to limit the tools available to the department over the next several months, which is why we've introduced this legislation.

Here is how the program works - Commerce works directly with a community and the interested business to determine if they are eligible for an Enterprise Zone. Eligible businesses in a zone can claim refundable tax credits for jobs retained, jobs created, job training and capitol investment. The business is required to meet certain job creation and capitol investment benchmarks to remain eligible for the tax credits. For example, a business must increase personnel by at least 10% and maintain that level to be eligible for the jobs tax credit and must expand their operations by at least 10% for their gross revenues to be eligible for the capitol investment tax credit. The zones can last up to twelve years.

As you can see the process for designation can take some time to complete, which is another reason this bill is so important. Commerce is currently having ongoing discussions with a number of businesses and communities around the state and we'd hate for those negotiations to be stalled because we didn't give the department enough authority to act over the next 6 months.

Thank you again for agreeing to hear testimony on this legislation. Our colleagues in the State Assembly passed this bill last week and I hope that we'll do that same in the coming days.